

(Current Report No. 26/2018)

04 June 2018

Conclusion of a general contractor agreement by the Issuer's subsidiary undertaking

Legal basis: Art. 17 para. 1 of the Market Abuse Regulation - confidential information

The Management Board of LC Corp S.A. (the "Issuer") hereby reports that today (i.e. on 4 June 2018) the Issuer's subsidiary undertaking – LC Corp Invest XX Spółka z ograniczoną odpowiedzialnością with its registered office in Wrocław (hereinafter as the "Investor"), in which the Issuer is directly the sole shareholder, concluded with an entity unrelated to the Issuer - Przedsiębiorstwo Budowlane ARKOP Spółka z ograniczoną odpowiedzialnością Spółka Komandytowa with its registered office in Wrocław ("General Contractor") a general contractor agreement for the project entitled "The construction of residential, retail and office buildings marked as A and B together with the development of the area and technical infrastructure at ul. Kamienna 145-145a in Wrocław", on the following terms:

1. Remuneration: in a lump sum of PLN 101,541,460.00 (in words: one hundred one million five hundred forty-one thousand four hundred sixty zlotys) net with the possibility of indexation thereof starting from Q1 2019, on the basis of the quarterly indices specified in the publication entitled "Price Movement Indices for Construction Facilities and Works" issued by ORGBUD-SERWIS Spółka z o.o. with its registered office in Poznań, Building Cost Information Service.
2. Commencement of works: the day after the formal delivery of the construction site, which will take place within 7 days from the conclusion of the agreement.
3. Completion of works: 31 January 2021.
4. Security for the agreement: a bank guarantee of the proper performance of the agreement provided by the General Contractor in the amount equal to 2.5% of the net remuneration, and a cash security deposit for the removal of faults and defects during the period of guarantee and warranty equal to 2.5% of the net remuneration valid for the guarantee period of 66 (sixty-six) months, with the reservation that half - 1.25% (one percent and 25/100) of the deposit amount will be released within 21 days from the date of issue of the Completion Certificate and the remaining part after the expiry of the entire Guarantee Period.
5. The total amount of contractual penalties provided for in the agreement regarding the penalties for untimely fulfilment of the obligations by ARKOP may not exceed 10% of the entire net remuneration, whereas the parties will have the right to seek compensation in excess of the contractual penalties.

Other terms of the Agreement, including those referring to the possibility of withdrawal therefrom do not differ from the provisions generally applied to this type of agreements.

In the opinion of the Issuer, the information regarding the conclusions of the above agreement is confidential within the meaning of Article 7 of the Market Abuse Regulation due to the fact that the presumed value of remuneration under the Agreement exceeds 10% of the Company's equity.